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ABSTRACT

This report analyzes the New York City Board of Education's planned expenditures for the 1977-1978 fiscal year. The report is designed to give the public a brief yet understandable overview of the Board of Education's annual budget. Allocations for eight functional areas (direct instructional programs, indirect instructional programs, ancillary pupil support programs, school buildings, city and districtwide administration, miscellaneous expenses, dept service, and non-public and adult education) are presented in terms of monetary amount, percentage of total expenditure, and source of funding. Instructional costs are broken down into three levels (elementary and junior high, high school, and special education): total expenditures and per-pupil-costs are provided for each level. Expenditures for public school pupils, direct instructional programs, administration, and pupil transportation are discussed in greater detail. (Author/BE)

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Board of Education
City of New York

ED181158

A FUNCTIONAL ANALYSIS OF THE 1977-1978 NEW YORK CITY BOARD OF EDUCATION BUDGET

Prepared by
Office of the Deputy Chancellor
Project Management Unit
Ronald A. Walter, Deputy Chancellor

October 1977

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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NEW YORK CITY BOARD OF EDUCATION

1977 - 1978 BUDGET HIGHLIGHTS

The Board of Education will spend $2,483,242,000 delivering services to 1,045,000 public school pupils, and an additional $341,944,000 for debt service and $56,420,000 for non-public and adult education.

SELECTED STATISTICAL INFORMATION-PUBLIC SCHOOL PUPILS

FUNCTIONAL AREA	BUDGET (M=1,000,000)	AVERAGE COST PER PUPIL	PERCENT OF TOTAL BUDGET
Direct Instructional Programs (Classroom instruction, School and Field Supervision)	$1,866M	$1,786	65%
Indirect Instructional Programs (Counselors, attendance, psychologists, etc.)	$ 67M	$ 64	2%
Ancillary Pupil Support Programs (Security, Transportation, Lunch, etc.)	$ 253M	$ 243	9%
School Buildings (Custodial, maintenance, fuel, etc.)	$ 213M	$ 204	7½%
City and Districtwide Administration (Chancellor, Personnel, Business Administration, district superintendents, etc.)	$ 70M	$ 67	2%
Miscellaneous Expenses (Unemployment insurance, collective bargaining reserve, etc.)	$ 13M	$ 13	½%

* * * *

INSTRUCTIONAL/ORGANIZATIONAL LEVEL	BUDGET AMOUNT (M=1,000,000)	BUDGET % OF TOTAL	AVERAGE PER PUPIL COST	PERCENT OF TOTAL REGISTER
Elementary and Junior High	$1,748M	62%	$ 2,551	66%
High School	767M	27	2,500	29
Special Education	310M	11	5,849	5

PREFACE

The annual expense budget of New York City's Board of Education is an awesome thing. This year its 643 pages of computer printout proposes expenditures surpassing $2.8 billion. Though the school budget will never make the Times' list of best sellers, it tells a story, a very interesting story. As Aaron Wildavsky (recently appointed President of the Russell Sage Foundation here in New York City) has pointed out in similar context:

> Confronted with the vast array of figures in the [budget], one is likely to think of budgeting as an arid subject, the province of stodgy clerks and dull statisticians. Nothing could be more mistaken. Human nature is never more evident than when men are struggling to gain a larger share of funds or to apportion what they have among myriad claimants. Budgeting deals with the purposes of men. How can they be moved to cooperate? How can their conflicts be resolved? How can they find ways of dealing effectively with recalcitrant problems? Serving diverse purposes, a budget can be many things: a political act, a plan of work, a prediction, a source of enlightenment, a means of obfuscation, a mechanism of control, an escape from restrictions, a means to action, a brake on progress, even a prayer that the powers that be will deal gently with the best aspirations of fallible men. *

*Aaron Wildavsky, The Politics of the Budgetary Process (second edition), New York: Little Brown and Company, 1974, p.xxiii.

Given its sheer length, detail, and complexity, the school budget, raw and unabridged, is an exercise in frustration for many participants in and observers of public education in New York City. In order to make sense of something so big and elusive, one must move in close, take the thing apart, study the nature and relationship of its constituent parts, re-assemble all the elements, and finally step back just far enough to get a good view of the whole thing. That, basically, is what we have tried to do in this report - - analyze and accurately represent the budget with the aim of making it more accessible to people in the school community.

Readers of this report should keep the following caveats in mind. First, the budget is a planning and control document. For numerous reasons (e.g., changed priorities, court orders, Commissioner's rulings, and new legislation), actual expenditures during the year will vary slightly from the budget as adopted in the spring, 1977. Second, budget analysis, for all its appearance of precision, is not an exact science. Though all of the figures reported here are real in the sense that they can be traced back to the official expense budget adopted by the City Council and the Board of Estimate, the basic analytic process of aggregating the disaggregated data occasionally requires the use of "best estimates." In addition, deciding which expenditures should be assigned to what categories depends a great deal on the definitions that are used. Best estimates and definitions are, of course, subject to different interpretations. This is not to say that "anything goes." The estimates and definitions used in this report are reasonable, judicious and consistently applied. Even with the slippage that inevitably occurs in this form of analysis, I invite close inspection of this document and welcome your comments.

* * *

This report was prepared by the Project Management Unit, Bernard Esrig, Director. Marshall Goldman and Richard Guttenberg served as principal analysts for and authors of this report. In addition, Dale McArthur and his staff in the Office of Budget Operations and Review deserve special mention for doing the original calculations that underly the analysis. Jacqueline Wong Posner designed the charts and graphs. Charlotte Johnson supervised the preparation of the manuscript. Carol Ann Young prepared the many complicated tables and text.

I appreciate the efforts of these personnel. I, however, take full responsibility for the facts, figures and analysis that follow.

RONALD A. WALTER
Deputy Chancellor

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SECTION I

AN OVERVIEW OF THE 1977-1978 BUDGET

Each year, based on budget requests submitted by the Board of Education, the Mayor's Office of Management and Budget formulates an "executive budget" for the public schools. Once this budget is prepared, it is submitted to the City Council and the Board of Estimate for their consideration. After a period of deliberation, during which public hearings are held, a modified form of the budget is returned to the Mayor. When this is approved, it then becomes the "adopted budget," the actual expense budget under which the Board of Education will operate during the coming fiscal year.

As observed in a prior report from the Office of the Deputy Chancellor, the Board of Education's budget

> is much more than an elegant array of numbers arranged in neat, military formation by column and line, marching across pages and pages of computer printout in harmonious mathematical cadence. Its static neatness masks a flurry of activity. The annual expense budget is a living document. Even in normal times, during the course of a year, it will undergo numerous modifications, as the [Office of Management and Budget] revises its revenue and/or expenditure forecasts; shifts funds from one [division of the Board] to another to take advantage of unanticipated surpluses or to cover unexpected deficits; launches a new initiative not provided for in the adopted budget...*

And yet, in spite of these inevitable changes, the budget is a very useful document for discerning how much money will be spent, and for what purposes, during a given year. Even more importantly, the school budget can be read as an expression of priorities set by the Board of Education, the Mayor, the Board of Estimate, and the City Council.

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*"Public Education in New York City: Reflection on the Immediate Past and Some Thoughts About the Future -- A Budgetary Perspective," Office of the Deputy Chancellor, New York City Board of Education, September 1976, p. iv.

Functional Areas and Cost Components

The purpose of this report is to present a brief, though hopefully understandable overview of the Board of Education's budget for 1977-1978. Towards this end, the adopted expense budget* -- a two volume, 643 page document -- has been organized into eight major functional areas.

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service
- Non-Public and Adult Education

In its simplest form, the budget for 1977-1978 is reproduced in Exhibit 1, "Board of Education 1977-1978 Budget by Major Functional Area." How much of each dollar for education goes into the functional areas is displayed in Exhibit 2, "Where Each Educational Dollar Goes."

Each of the areas listed in the budget is associated with a major educational, administrative, operational, or financial function. And, within each of these areas, there are a number of discrete, though interrelated, cost components that describe in more detail what is included in the particular function. For example, the functional area "direct instructional programs" can be broken down into the following components:

*1977-1978 Line-by-Line Budget as Adopted by City Council and Board of Estimate Including Changes by Both Bodies: Budget Director Printout.

EXHIBIT 1

BOARD OF EDUCATION 1977-1978 BUDGET BY MAJOR FUNCTIONAL AREA

FUNCTIONAL AREA	1977-1978 BUDGET * AMOUNT	PERCENT
I. Direct Instructional Programs	$ 1,866,201,000	64.7 %
II. Indirect Instructional Programs	$ 67,050,000	2.3 %
III. Ancillary Pupil Support Programs	$ 253,426,000	8.8 %
IV. School Buildings	$ 213,163,000	7.4 %
V. City and Districtwide Administration	$ 70,137,000	2.4 %
VI. Miscellaneous Expenses	$ 13,265,000	0.5 %
VII. Debt Service	$ 341,944,000	11.9 %
Sub-Total: Budget for Public School Students	$ 2,825,186,000	98.0 %
VIII. Non-Public and Adult Education	$ 56,420,000	2.0 %
TOTAL	$ 2,881,606,000	100.0 %

* 1977-1978 adopted expense budget modified to include an additional $ 13.5 million under the Stavisky settlement. Figures rounded to nearest $ 1,000.

Exhibit 2

WHERE EACH EDUCATION DOLLAR GOES
1977-1978

65 ¢
Direct
Instructional Programs

9 ¢
Ancillary
Pupil Support
Programs

2 ¢
City and
Districtwide
Administration

2 ¢
Non-Public
and
Adult Education

FEDERAL RESERVE NOTE
THE UNITED STATES OF AMERICA
THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE
B 40984 994 G
WASHINGTON, D.C.
B 40984994 G
ONE DOLLA

2 ¢
Indirect
Instructional
Programs

7½ ¢
School
Buildings

½ ¢
Miscellaneous
Expenses

12 ¢
Debt
Service

- Classroom Instruction
    - . Elementary and Junior High
    - . High Schools
    - . Special Education
- School Supervision
    - . Elementary and Junior High
    - . High Schools
    - . Special Education
- Field Supervision
    - . Elementary and Junior High
    - . High Schools
    - . Special Education

In other words, the functional area "direct instructional programs" is made up of three main cost components, "classroom instruction" (services provided by teachers, paraprofessionals, and aides), "school supervision" (services provided by principals and assistant principals), and field support (field services provided by grade or subject area supervisors). Further, each of the cost components can be subdivided according to the three instructional/organizational levels within the school system: "elementary and junior high," "high schools," and "special education." For a complete listing of the various cost components contained within each of the eight functional areas, see Exhibit 3. Definitions of the functional areas and their cost components are given in the Appendix, "Explanation of Functional Areas and Costs Components."

Sources of Funding

In addition to functional areas and cost components, the budget has also been organized according to where the funds originate. The school system has two basic sources of revenue, "general funds" and "reimbursable funds."

EXHIBIT 3

BOARD OF EDUCATION BUDGET
FUNCTIONAL AREAS AND COST COMPONENTS

I. DIRECT INSTRUCTIONAL PROGRAMS

A. Classroom Instruction
- Elementary and Junior High
- High Schools
- Special Education

B. School Supervision
- Elementary and Junior High
- High Schools
- Special Education

C. Field Supervision
- Elementary and Junior High
- High Schools
- Special Education

II. INDIRECT INSTRUCTIONAL PROGRAMS

A. Pupil Personnel Services
- Attendance
  . Field Service
  . Administration/Supervision
- Guidance and Counseling
  . Elementary and Junior High
  . High School
- Social and Psychological
  . Field Service
  . Administration/Supervision
- Drug Abuse Program

B. Planning, Testing, Research and Development Services
- Educational Performance and Accountability
- Educational Evaluation
- Educational Planning and Support
- Guidance Planning

III. ANCILLARY PUPIL SUPPORT PROGRAMS

A. School Safety and Security
- Elementary and Junior High
- High Schools
- Special Education
- Field Supervision
- Administration/Supervision

B. Pupil Transportation
- Elementary and Junior High
- High Schools
- Special Education
- Administration/Supervision

C. School Lunch
- Elementary and Junior High
- High Schools
- Special Education
- Administration/Supervision

D. Breakfast Program
- Elementary and Junior High
- High Schools
- Special Education

IV. SCHOOL BUILDINGS

A. Central and Field Administration and Supervision

B. Planning, Design, and Renovation

C. Operation and Maintenance
- Custodial Service
  . Elementary and Junior High
  . High School
  . Special Education
  . Other Buildings
- Maintenance and Repair
  . Field Service
  . Field Supervision
  . Administration/Supervision
- Leasing and Rentals
  . Elementary and Junior High
  . High School
  . Special Education
  . Other
- Heat, Light, and Power
  . Coal and Oil
  . Electricity and Steam Heat

V. CITY AND DISTRICTWIDE ADMINISTRATION

A. Overall Administration
- Board of Education
- General Administration
- Personnel and Board of Examiners
- Community School District Affairs
- Business Administration
- Federal Program Administration

B. Instructional Administration/Supervision
- District Office
- High School Office
- Special Education Office

VI. MISCELLANEOUS EXPENSES

A. Sabbaticals and Leave in Lieu

B. Compensation and Awards

C. Collective Bargaining Reserves

D. Miscellaneous Costs

VII. DEBT SERVICE

VIII. NON-PUBLIC AND ADULT EDUCATION

A. Instructional Services and Support

B. Non-Instructional Services and Support

C. Fashion Institute of Technology

D. Adult Education

- General funds refer to revenue from city tax levy, a small portion of city capital funds transferred to the Board's expense budget, state formula aid, funds from general state revenue sharing, and a few types of federal aid (e.g. impact aid and school lunch subsidies).

- Reimbursable funds refer primarily to revenue received from the federal government under programs such as ESEA Title I, Emergency School Assistance Act (ESAA), and the Comprehensive Employment Training Act (CETA), etc. Also included but in small amounts, are certain types of grants and fees from other institutions and special purpose aid from the state.

Though there are some minor exceptions, general funds are used to meet the school system's basic operating expenses while reimbursable funds must be applied to support specific categorical programs.

General funds account for such a major portion (more than 90% in 1977-1978) of the school system's total budget that it is useful to subdivide this revenue source into two major expenditure categories: 1) personal services and other than personal services; 2) pensions and fringes.

- Personal services and other than personal services (PS/OTPS) refer to direct salaries for personnel and expenditures for equipment, supplies, books, rentals, contractual services, etc.

- Pensions and fringes refer to the contributions that the Board makes to employee benefits such as pensions, social security, health and welfare insurance.

Of all the funds at the school system's disposal in 1977-1978, 72% is general fund personal and other than personal service, 19% is general fund pensions and fringes and the remaining 9% is reimbursable funds.

Exhibits 4 and 5 show the dollar and percent figures of the Board of Education's budget by funding source and expenditure categories.

School Enrollment and Per Pupil Expenditures

One important way of making sense out of a $2,881,606,000 school budget -- a figure so large that it even challenges the imagination of the seasoned analyst -- is to convert this total and its constituent parts into per pupil costs. The basic piece of information needed for this purpose is the number of pupils enrolled in the school system.

Based on an estimated October 1977 register, the New York City public school enrollment is 1,045,000 in 1977-1978. Since services (and therefore the dollars that pay for the services) are sometimes distributed by instructional/organizational level, it is also important to know how the enrollment figure is composed. Of the 1,045,000 students enrolled in the school system

- 685,000 (66%) are elementary and junior high pupils;
- 307,000 (29%) are high school students;
- 53,000 (5%) are handicapped children enrolled in special education programs.*

Per pupil costs have been calculated in two different ways. For certain functional areas (e.g. "direct instructional programs") it is possible to trace dollar allocations to each of the three instructional/organizational levels within the school system. In such cases, the per pupil cost is calculated by dividing the enrollment at each level into the actual dollar allocation for the functional area at each level:

*The enrollment figure for special education includes approximately 4,500 students who are placed in private "contract schools."

Exhibit 4

BOARD OF EDUCATION'S BUDGET: 1977—1978*

BY FUNDING AND FUNCTIONAL AREA

FUNCTIONAL AREA	GENERAL FUNDS			REIMBURSABLE FUNDS	TOTAL BUDGET	
	NET PS AND OTPS	PENSION & FRINGES	SUB-TOTAL		AMOUNT	PERCENT
I. DIRECT INSTRUCTIONAL PROGRAMS	$1,177,459,000	$469,562,000	$1,647,021,000	$219,180,000	$1,866,201,000	64.7%
Classroom Instruction	1,047,352,000	408,872,000	1,456,224,000	219,180,000	1,675,404,000	58.1
School Supervision	119,624,000	55,890,000	175,514,000	0	175,514,000	6.1
Field Supervision	10,483,000	4,800,000	15,283,000	0	15,283,000	0.5
II. INDIRECT INSTRUCTIONAL PROGRAMS	$ 38,205,000	$ 16,771,000	$ 54,976,000	$ 12,074,000	$ 67,050,000	2.3%
Pupil Personnel Services	31,383,000	14,361,000	45,744,000	12,074,000	57,818,000	2.0
Planning, Testing, and Development Services	6,822,000	2,410,000	9,232,000	0	9,232,000	0.3
III. ANCILLARY PUPIL SUPPORT PROGRAMS	$ 223,662,000	$ 14,047,000	$ 237,709,000	$ 15,717,000	$ 253,426,000	8.8%
School Safety and Security	6,905,000	1,688,000	8,593,000	4,406,000	12,999,000	0.5
Pupil Transportation	117,310,000	185,000	117,495,000	0	117,495,000	4.0
School Lunch	99,447,000	12,174,000	111,621,000	0	111,621,000	3.9
Breakfast Program	0	0	0	11,311,000	11,311,000	0.4
IV. SCHOOL BUILDINGS	$ 191,463,000	$ 21,700,000	$ 213,163,000	$ 0	$ 213,163,000	7.4%
Central and Field Administration and Supervision	6,753,000	991,000	7,744,000	0	7,744,000	0.3
Planning, Design and Renovation	6,682,000	1,927,000	8,609,000	0	8,609,000	0.3
Operation and Maintenance	178,028,000	18,782,000	196,810,000	0	196,810,000	6.8
. Custodial Service	84,479,000	14,384,000	98,863,000	0	98,863,000	3.4
. Maintenance and Repair	29,546,000	4,398,000	33,944,000	0	33,944,000	1.2
. Leasing and Rentals	18,239,000	0	18,239,000	0	18,239,000	0.6
. Heat, Light and Power	45,764,000	0	45,764,000	0	45,764,000	1.6
V. CITY AND DISTRICTWIDE ADMINISTRATION	$ 44,002,000	$ 12,753,000	$ 56,755,000	$ 13,382,000	$ 70,137,000	2.4%
Overall Administration	25,693,000	6,777,000	32,470,000	10,337,000	42,807,000	1.5
Instructional Administration/ Supervision	18,309,000	5,976,000	24,285,000	3,045,000	27,330,000	0.9
VI. MISCELLANEOUS EXPENSES	$ 11,681,000	$ 1,584,000	$ 13,265,000	$ 0	$ 13,265,000	0.5%
VII. DEBT SERVICE	$ 341,944,000	$ 0	$ 341,944,000	$ 0	$ 341,944,000	11.9%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL STUDENTS	($2,028,416,000)	($536,417,000)	($2,564,833,000)	($260,353,000)	($2,825,186,000)	(98.0%)
VIII. NON-PUBLIC AND ADULT EDUCATION	$ 45,163,000	$ 1,419,000	$ 46,582,000	$ 9,838,000	$ 56,420,000	2.0%
TOTAL	$2,073,579,000	$537,836,000	$2,611,415,000	$270,191,000	$2,881,606,000	100.0%

* Based on the 1977-1978 adopted expense budget ($2,881,606,000) modified to include an additional $13,500,000 under the Stavisky settlement.

Exhibit 5

BOARD OF EDUCATION'S BUDGET: 1977-1978

PERCENT DISTRIBUTION BY FUNDING AND FUNCTIONAL AREA

FUNCTIONAL AREA	GENERAL FUNDS NET PS AND OTPS	GENERAL FUNDS PENSION & FRINGES	GENERAL FUNDS SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL
I. DIRECT INSTRUCTIONAL PROGRAMS	63.1%	25.2%	88.3%	11.7%	100.0%
Classroom Instruction	62.5	24.4	86.9	13.1	100.0
School Supervision	68.2	31.8	100.0	0.0	100.0
Field Supervision	68.6	31.4	100.0	0.0	100.0
II. INDIRECT INSTRUCTIONAL PROGRAMS	57.0%	25.0%	82.0%	18.0%	100.0%
Pupil Personnel Services	54.3	24.8	79.1	20.9	100.0
Planning, Testing and Development Services	73.9	26.1	100.0	0.0	100.0
III. ANCILLARY PUPIL SUPPORT PROGRAMS	88.3%	5.5%	93.8%	6.2%	100.0%
School Safety and Security	53.1	13.0	66.1	33.9	100.0
Pupil Transportation	99.8	0.2	100.0	0.0	100.0
School Lunch	89.1	10.9	100.0	0.0	100.0
Breakfast Program	0.0	0.0	0.0	100.0	100.0
IV. SCHOOL BUILDINGS	89.8%	10.2%	100.0%	0.0%	100.0%
Central and Field Administration and Supervision	87.2	12.8	100.0	0.0	100.0
Planning, Design and Renovation	77.6	22.4	100.0	0.0	100.0
Operation and Maintenance	90.5	9.5	100.0	0.0	100.0
. Custodial Service	85.5	14.5	100.0	0.0	100.0
. Maintenance and Repair	87.0	13.0	100.0	0.0	100.0
. Leasing and Rentals	100.0	0.0	100.0	0.0	100.0
. Heat, Light and Power	100.0	0.0	100.0	0.0	100.0
V. CITY AND DISTRICTWIDE ADMINISTRATION	62.7%	18.2%	80.9%	19.1%	100.0%
Overall Administration	60.1	15.8	75.9	24.1	100.0
Instructional Administration/ Supervision	67.0	21.9	88.9	11.1	100.0
VI. MISCELLANEOUS EXPENSES	88.1%	11.9%	100.0%	0.0%	100.0%
VII. DEBT SERVICE	100.0%	0.0%	100.0%	0.0%	100.0%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL STUDENTS	(71.8%)	(19.0%)	(90.8%)	(9.2%)	(100.0%)
VIII. NON-PUBLIC AND ADULT EDUCATION	80.1%	2.5%	82.6%	17.4%	100.0%
TOTAL	71.9%	18.7%	90.6%	9.4%	100.0%

CALCULATING PER PUPIL INSTRUCTIONAL COSTS BY LEVEL

	Instructional Expenditure		Enrollment		Per Pupil Cost
Elementary & Junior High	$1,151,391,000	÷	685,000	=	$ 1,681
High School	$ 501,726,000	÷	307,000	=	$ 1,634
Special Education	$ 213,084,000	÷	53,000	=	$ 4,020

The other way of calculating per pupil costs is by dividing total school system enrollment into the total expenditure for the functional area:

CALCULATING AVERAGE PER PUPIL INSTRUCTIONAL COST

Total Instructional Expenditure		Total Enrollment		Average Per Pupil Cost
$1,866,201,000	÷	1,045,000	=	$ 1,786

The distribution of the total budget by instructional/organizational level is shown in Exhibit 6, "Board of Education's Budget: 1977-1978, by Organizational Level." The per pupil costs are displayed in Exhibit 7, "Per Pupil Cost by Organizational Level, 1977-1978."

Though both of the expenditure per pupil calculations discussed above are useful ways of understanding the budget, if taken too literally they yield information that is somewhat misleading. Within each of the functional areas, the school system offers a variety of different programs. Depending on the particular program (e. g. Title 1, school lunch, pupil transportation), some students are served but others are not. This means that there are, in fact, significant cost differentials among students within a given instructional/organizational level. Take, for example, the case of

Exhibit 6

BOARD OF EDUCATION'S BUDGET: 1977—1978*
BY ORGANIZATIONAL LEVEL

	FUNCTIONAL AREA	ELEMENTARY AND JUNIOR HIGH	HIGH SCHOOL	SPECIAL EDUCATION	TOTAL
I.	DIRECT INSTRUCTIONAL PROGRAMS	$1,151,391,000	$501,726,000	$213,084,000	$1,866,201,000
	Classroom Instruction	1,039,695,000	439,015,000	196,694,000	1,675,404,000
	School Supervision	107,809,000	62,564,000	5,141,000	175,514,000
	Field Supervision	3,887,000	147,000	11,249,000	15,283,000
II.	INDIRECT INSTRUCTIONAL PROGRAMS	$ 42,597,000	$ 22,303,000	$ 2,150,000	$ 67,050,000
	Pupil Personnel Services	36,550,000	19,589,000	1,679,000	57,818,000
	Planning, Testing and Development Services	6,047,000	2,714,000	471,000	9,232,000
III.	ANCILLARY PUPIL SUPPORT PROGRAMS	$ 126,202,000	$ 66,449,000	$ 60,775,000	$ 253,426,000
	School Safety and Security	4,850,000	7,563,000	586,000	12,999,000
	Pupil Transportation	24,694,000	34,536,000	58,265,000	117,495,000
	School Lunch	87,084,000	22,968,000	1,569,000	111,621,000
	Breakfast Program	9,574,000	1,382,000	355,000	11,311,000
IV.	SCHOOL BUILDINGS	$ 147,336,000	$ 56,089,000	$ 9,738,000	$ 213,163,000
	Central and Field Administration and Supervision	5,072,000	2,277,000	395,000	7,744,000
	Planning, Design and Renovation	5,639,000	2,531,000	439,000	8,609,000
	Operation and Maintenance	136,625,000	51,281,000	8,904,000	196,810,000
	. Custodial Service	70,697,000	24,651,000	3,515,000	98,863,000
	. Maintenance and Repair	22,233,000	9,980,000	1,731,000	33,944,000
	. Leasing and Rentals	13,720,000	3,195,000	1,324,000	18,239,000
	. Heat, Light and Power	29,975,000	13,455,000	2,334,000	45,764,000
V.	CITY AND DISTRICTWIDE ADMINISTRATION	$ 47,316,000	$ 16,630,000	$ 6,191,000	$ 70,137,000
	Overall Administration	28,039,000	12,585,000	2,183,000	42,807,000
	Instructional Administration/ Supervision	19,277,000	4,045,000	4,008,000	27,330,000
VI.	MISCELLANEOUS EXPENSES	$ 8,688,000	$ 3,900,000	$ 677,000	$ 13,265,000
VII.	DEBT SERVICE	$ 224,145,000	$100,456,000	$ 17,343,000	$ 341,944,000
	SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL STUDENTS	($1,747,675,000)	($767,553,000)	($309,958,000)	($2,825,186,000)
VIII.	NON-PUBLIC AND ADULT EDUCATION	$ 36,956,000	$ 16,587,000	$ 2,877,000	$ 56,420,000
	TOTAL	$1,784,631,000	$784,140,000	$312,835,000	$2,881,606,000
	PERCENT	61.9%	27.2%	10.9%	100.0%

*Based on the 1977-1978 adopted expense budget modified to include an additional $13.5 million under the Stavisky settlement. Figures rounded to nearest $1,000.

Exhibit 7

PER PUPIL COST BY ORGANIZATIONAL LEVEL 1977—1978*

	FUNCTIONAL AREA	ELEMENTARY AND JUNIOR HIGH	HIGH SCHOOL	SPECIAL EDUCATION	AVERAGE ALL LEVELS
I.	DIRECT INSTRUCTIONAL PROGRAMS	$ 1,681	$ 1,634	$ 4,020	$ 1,786
	Classroom Instruction	1,518	1,430	3,711	1,603
	School Supervision	157	204	97	168
	Field Supervision	6	**	212	15
II.	INDIRECT INSTRUCTIONAL PROGRAMS	$ 62	$ 73	$ 41	$ 64
	Pupil Personnel Services	53	64	32	55
	Planning, Testing and Development Services	9	9	9	9
III.	ANCILLARY PUPIL SUPPORT PROGRAMS	$ 184	$ 216	$ 1,147	$ 243
	School Safety and Security	7	25	11	12
	Pupil Transportation	36	111	1,099	113
	School Lunch	127	75	30	107
	Breakfast Program	14	5	7	11
IV.	SCHOOL BUILDINGS	$ 215	$ 183	$ 184	$ 204
	Central and Field Administration and Supervision	7	7	7	7
	Planning, Design and Renovation	8	8	8	8
	Operation and Maintenance	200	168	169	189
	. Custodial Service	103	81	67	95
	. Maintenance and Repair	33	33	33	33
	. Leasing and Rentals	20	10	25	17
	. Heat, Light and Power	44	44	44	44
V.	CITY AND DISTRICTWIDE ADMINISTRATION	$ 69	$ 54	$ 117	$ 67
	Overall Administration	41	41	41	41
	Instructional Administration/ Supervision	28	13	76	26
VI.	MISCELLENEOUS EXPENSES	$ 13	$ 13	$ 13	$ 13
VII.	DEBT SERVICE	$ 327	$ 327	$ 327	$ 327
	SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL STUDENTS	($ 2,551)	($ 2,500)	($ 5,849)	($ 2,704)
VIII.	NON-PUBLIC AND ADULT EDUCATION	$ 54	$ 54	$ 54	$ 54
	TOTAL	$ 2,605	$ 2,554	$ 5,903	$ 2,758
	ESTIMATED OCTOBER 1977 REGISTER	685,000	307,000	53,000	1,045,000

*Based on the 1977-1978 adopted expense budget ($2,881,606,000) modified to include an additional $13,500,000 under the Stavisky settlement.
**Less than $.50.

special education. For handicapped children in the school system the average per pupil cost is $5,849. But among handicapped children, actual costs vary from $4,342 for the educable mentally retarded to $12,609 for the neurologically impaired.*

The limited scope of this report precludes a full analysis of the budget in terms of pupils actually served by particular programs. Though there is some analysis of this sort in Section V, the Office of the Deputy Chancellor will address the issue in more detail later in the 1977-1978 school year.

It should be noted that throughout this report the terms "budget", "expenditure" and "cost" are used interchangeably. The total costs or expenditures cannot be known until completion of the fiscal year. The budget represents the planned or expected expenditures.

A Word About Personnel

Probably the single most significant way of understanding the school budget is to know the kind and quantity of personal services purchased with the dollars -- in other words, the types of personnel employed by the school system and the number in each category. Analysis of the workforce in terms of this year's budget is a matter of such importance and complexity that it warrants full attention in a separate document. Consequently, the Office of the Deputy Chancellor will be issuing a companion report - - "An Analysis of the 1977-1978 School System Workforce in New York City" -- in December 1977.

*The Cost of Educating Handicapped Pupils in New York City, "Office of the Deputy Chancellor, New York City Board of Education, January 1977, pp. 30, 31.

SECTION II

FOCUS ON TOTAL EXPENDITURES FOR PUBLIC SCHOOL PUPILS

The Board of Education for the present 1977-1978 fiscal year, will expend over $2.8 billion for public school students. This represents an average pupil expenditure of $2,704. These funds provide for cost items in the following functional areas:

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service

(Excluded is the functional area for non-public and adult education. This area, with a budget of $56 million, combined with the above functional areas, yields the total Board of Education budget of $2,881 million.)

The figures and definitions appearing in this section have all been excerpted from the exhibits in Section 1, "An Overview of the 1977-1978 Budget," and from the Appendix, "Explanation of Functional Areas and Cost Components."

Sources of Funding

General funds personal and other than personal service expenditures (used for direct salary payments and supplies, equipment, books, full and debt service) account for 72% of the budget for public school pupils.

BUDGET FOR PUBLIC SCHOOL PUPILS: 1977-1978

	AMOUNT ($1,000,000)	PERCENT	AVERAGE COST *
GENERAL FUND: PS AND OTPS	$ 2,029	72 %	$ 1,941 Per Pupil
GENERAL FUND: PENSION AND FRINGES	536	19	513
GENERAL FUND: SUB-TOTAL	$ 2,565	91 %	$ 2,454 Per Pupil
REIMBURSABLE FUNDS	260	9	250
TOTAL BUDGET	$ 2,825	100 %	$ 2,704 Per Pupil

* Based on estimated October 1977 register of 1,045,000 pupils.

The general fund cost of providing pensions, social security, health and welfare benefits is, on the average, over $500 per pupil.

Instructional/Organizational Level Costs

The budget for public school pupils can also be divided into instructional/organizational level costs (i. e. costs for elementary and junior high,

high school, and special education). Elementary and junior high receive the largest portion of the budget -- $1,748 million, or 62%. High schools get $767 million or 27%. There is, however, only a slight difference in the costs per pupil between elementary and junior high ($2,551 per pupil)

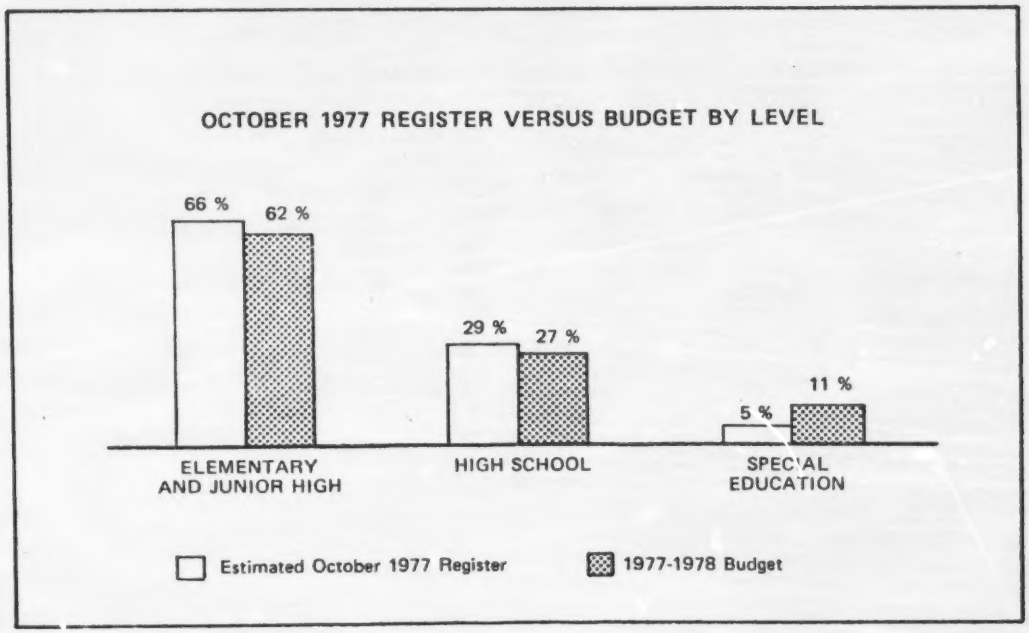
INSTRUCTIONAL/ORGANIZATIONAL BUDGET FOR PUBLIC SCHOOL PUPILS: 1977-1978

	Elementary and Junior High	High School	Special Education	All Levels
BUDGET (IN $1,000,000)	$ 1,748	$ 767	$ 310	$ 2,825
PERCENT	62 %	27 %	11 %	100 %
ESTIMATED OCTOBER 1977 REGISTER	685,000	307,000	53,000	1,045,000
PERCENT	66 %	29 %	5 %	100 %
AVERAGE PER PUPIL COST	$ 2,551	$ 2,500	$ 5,849	$ 2,704

and high school ($2,500 per pupil). Special education with an average cost of over $5,800 per pupil, is more than twice the amount needed for regular grade pupils.

The high cost of special education can also be shown by comparing its percent of the register with its percent of the budget. Although 5% of

New York City Public School pupils are enrolled in special education programs, these students claim 11% of the budget.



SECTION III

FOCUS ON DIRECT INSTRUCTIONAL PROGRAMS

By far, the largest functional area in the Board of Education is direct instructional programs. Nearly two-thirds, 65%, of the total budget is devoted to this area.

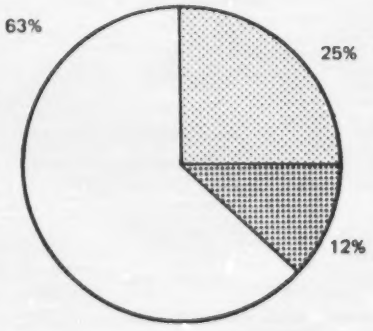
This functional area, the nucleus of all pupil instruction, includes the costs for personnel, such as: teacher, paraprofessional, assistant principal and principal. It also includes costs for textbooks, supplies, equipment and other instructional OTPS items.

The figures and definitions appearing in this section have all been excerpted from the exhibits in Section I, "An Overview of the 1977-1978 Budget," and from the Appendix, "Explanation of Functional Areas and Cost Components."

Source of Funding

Sixty-three percent or $1,177 million of the direct instructional budget

DIRECT INSTRUCTIONAL PROGRAMS
FUNDING SOURCE AND EXPENDITURE CATEGORIES
1977-1978



	AMOUNT ($1,000,000)	PERCENT	AVERAGE COST *
GENERAL FUND: PS and OTPS	$ 1,177	63 %	$ 1,127 Per Pupil
GENERAL FUND: Pension and Fringes	470	25	449
REIMBURSABLE FUNDS	219	12	210
TOTAL	$ 1,866	100 %	$ 1,786 Per Pupil

* Based on an estimated October 1977 register of 1,045,000 pupils.

is general fund personal and other than personal services. This covers the cost of direct salaries and of textbooks, supplies and equipment. This cost component averages to $1,127 per pupil.

The balance of general funds, $470 million, pays for pension, social security, health and welfare benefits. These benefits cost an average of $449 per pupil.

The reimbursable portion is 12% of direct instructional programs. This funding source averages to $210 per pupil.

Cost Components

Direct instructional programs are divided into three cost components:

- Classroom instruction: direct instructional services provided primarily by classroom teachers, paraprofessionals and aides.*
- School supervision: school principals, assistant principals** and school secretaries,
- Field supervision: pedagogical personnel who provide grade level and subject area supervisory services primarily to classroom teachers.

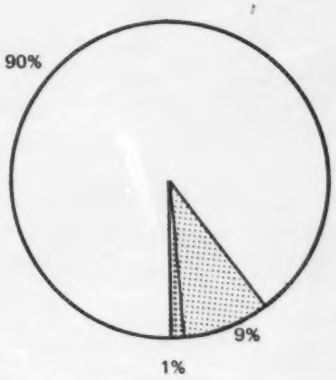
Included in these cost components are other than personal service instructional items.

*For special education only, guidance counselors are included because they are an integral part of the basic instructional program at that level.

**In addition to their supervisory duties, most assistant principals provide classroom instruction.

Spreading the budget for direct instructional programs among these cost

DIRECT INSTRUCTIONAL PROGRAMS BY COST COMPONENTS
1977-1978



	AMOUNT ($1,000,000)	PERCENT	AVERAGE COST *
CLASSROOM INSTRUCTION	$ 1,675	90 %	$ 1,603 Per Pupil
SCHOOL SUPERVISION	176	9	168
FIELD SUPERVISION	15	1	15
TOTAL	$ 1,866	100 %	$ 1,786 Per Pupil

* Based on an estimated October 1977 register of 1,045,000 pupils.

components shows that the bulk of the funds, 90%, goes to classroom instruction. This generates an average cost of $1,603 per pupil. School supervision and field supervision are 9% ($168 per pupil) and 1% ($15 per pupil) respectively.

Instructional/Organizational Level

The direct instructional program costs are clearly defined between the instructional/organizational levels. Dividing by the registers to compute

the average per pupil cost produces an interesting result: the average cost per high school pupil is almost the same as the average cost per

INSTRUCTIONAL/ORGANIZATIONAL BUDGET
FOR DIRECT INSTRUCTIONAL PROGRAMS: 1977-1978

	Elementary and Junior High	High School	Special Education	All Levels
BUDGET (IN $1,000,000)	$ 1,151	$ 502	$ 213	$ 1,866
REGISTER	685,000	307,000	53,000	1,045,000
AVERAGE COST PER PUPIL	$ 1,681	$ 1,634	$ 4,020	$ 1,786

elementary and junior high school pupil. The high school cost is $1,634 per pupil, while the elementary and junior high cost is $1,681 per pupil.

The uniqueness and the resulting high cost of instructing special education pupils can be gleaned from comparing its $4,020 average per pupil cost with the under $1,700 cost of regular grade pupils.

SECTION IV

FOCUS ON CITY AND DISTRICTWIDE ADMINISTRATION

About two cents out of every dollar expended goes to city and districtwide administration. This functional area has two major cost components and several sub-cost components:

- Overall Administration
  - . Board of Education
  - . General Administration
  - . Personnel and Board of Examiners
  - . Community School District Affairs
  - . Business and Administration
  - . Federal Program Administration
- Instructional Administration/Supervision
  - . District Office
  - . High School Office
  - . Special Education Office

The definitions of these cost components are given in Appendix A, "Explanation of Functional Areas and Cost Components." The figures in this section have all been excerpted from Section I and the Appendix.

Overall administration has been allocated equally to all instructional/organizational levels. Consequently, the cost per pupil for all levels is identical.

CITY AND DISTRICTWIDE ADMINISTRATION: 1977-1978

	Budget ($1,000,000)	Register	Average Cost Per Pupil		
			Total	Overall Administration	Instructional Administration
ELEMENTARY AND JUNIOR HIGH	$ 47	685,000	$ 69	$ 41	$ 28
HIGH SCHOOL	17	307,000	54	41	13
SPECIAL EDUCATION	6	53,000	117	41	76
ALL LEVELS	$ 70	1,045,000	$ 67	$ 41	$ 26

This averages to $41 per pupil. Instructional administration/supervision is more clearly defined. This cost component yields per pupil costs of $28, $13 and $76 for district office (elementary and junior high), high school office, and special education office respectively.

SECTION V

FOCUS ON PUPIL TRANSPORTATION

Expenditure per pupil calculations, as mentioned earlier in Section I, must be examined with caution. Within each of the functional areas, the school system offers a variety of different programs. Depending on the particular program (e.g. Title I, school lunch, pupil transportation), some students are served but others are not. This section focuses on the costs for pupils actually served by the pupil transportation program.

PUPIL TRANSPORTATION

Everyday public school pupils ride contract buses and common carriers to and from school. The cost for this pupil transportation is over $117 million. Dividing this amount by the total public school register yields an apparent average per pupil cost of $113. However, only half the total register are actually served. The average cost per pupil served is $223.

PUPIL TRANSPORTATION: 1977-1978

	ELEMENTARY AND JUNIOR HIGH	HIGH SCHOOL	SPECIAL EDUCATION	ALL LEVELS
Budget (in $1,000,000)	$ 25	$ 34	$ 58	$ 117
Percent	21%	29%	50%	100%
Pupils Served	206,000	292,000	30,000	528,000
Percent	39%	55%	6%	100%
Average Per Pupil Served Cost	$120	$118	$1,942	$ 223

Elementary and junior high, and high school have similar costs per pupils served, $120 and $118 respectively. Special education pupils cost on the average $1,942 to transport. There are several factors that made up this high special education transportation cost:

- The transport carriers travel greater distances.
- There are fewer pupils per carrier.
- Special boarding and debarking equipment is required.
- Matron assistance is required.

APPENDIX

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

In this report we have organized the Board of Education's budget into eight major functional areas:

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service
- Non-Public and Adult Education

Each of the areas listed above is associated with a major educational, administrative, operational, or financial function. Within each of these areas, there are a number of discrete, though interrelated, cost components. The several pages of Exhibit 8, "Explanation of Functional Areas and Cost Components," define these functional areas and cost components.

The distribution of the total education dollars for 1977-1978 by these functional areas and cost components along with source of funding is displayed in the two part Exhibit 9, "Board of Education's Budget: 1977-1978, Functional Area, Funding Source, and Organizational Level."

Exhibit 8

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
I. DIRECT INSTRUCTIONAL PROGRAMS	
A. Classroom Instruction Elementary & Junior High High Schools Special Education	At all levels, direct instructional services provided primarily by classroom teachers, paraprofessionals, and aides. Also, in special education, guidance counselors are included since they are an integral part of the basic instructional program at that level.
B. School Supervision Elementary & Junior High High Schools Special Education	At all levels, school principals, assistant principals, and school secretaries. In addition to their supervisory duties, most assistant principals provide classroom instruction.
C. Field Supervision Elementary & Junior High High Schools Special Education	District, high school, and special education pedagogical personnel who provide grade level and subject area supervisory services primarily to classroom teachers.
II. INDIRECT INSTRUCTIONAL PROGRAMS	
A. Pupil Personnel Services	
Attendance Field Service Administration/Supervision	All attendance teachers; administrative and field supervisory personnel assigned to the Bureau of Attendance.
Guidance Counseling Elementary & Junior High High School	All elementary, junior high, and high school guidance counselors.
Social and Psychological Field Service Administration	Services provided by social workers, psychologists, and other personnel assigned to the Bureau of Child Guidance.
Drug Abuse Program	Counseling services provided by personnel assigned to the system-wide drug abuse program.
B. Planning, Testing, Research and Development Services	
Educational Performance and Accountability	Research and administrative staff assigned to the Office of Educational Performance and Accountability, responsible for implementation of longitudinal study aimed at identifying factors involved in educational achievement as a basis for organizing effective approaches to correction action in the schools.
Educational Evaluation	Research and administrative staff assigned to the Office of Educational Evaluation, responsible for monitoring pupil achievement in basic subject areas on a system-wide basis.
Educational Planning and Support	Personnel assigned to the Division of Educational Planning and Support, responsible for providing curriculum planning and staff development services on a system-wide basis.
Guidance Planning	Guidance planning services provided by personnel assigned to the Office of Educational and Vocational Guidance.
III. ANCILLARY PUPIL SUPPORT PROGRAMS	
A. School Safety and Security Elementary & Junior High High Schools Special Education Field Supervision Administration/Supervision	School security guards, guard supervisors, and personnel assigned to the Office of School Safety.
B. Pupil Transportation Elementary & Junior High High Schools Special Education Administration/Supervision	Personnel assigned to the Bureau of Pupil Transportation; responsible for routing, scheduling, issuance of common carrier tickets, and monitoring eligibility for contract bus and common carrier.
C. School Lunch Elementary & Junior High High Schools Special Education Administration/Supervision	Personnel assigned to the Office of School Food Services, field supervisors, and school lunch workers; major part of OTPS represents the cost of food.
D. Breakfast Program Elementary & Junior High High Schools Special Education	School breakfast workers in program administered and operated by the districts; major part of OTPS represents the cost of food.

(CONTINUED)

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
IV. SCHOOL BUILDINGS	
A. Central and Field Administration and Supervision	Administrative staff members responsible for management of Division of School Buildings (including district and borough supervisors of custodians, the Office of Design and Construction and the Office of Operation and Maintenance.)
B. Planning, Design, and Renovation	Architects and engineers responsible for facilities planning, building design and renovation (including the Bureau of Design, Bureau of Construction, and the Bureau of Modernization.)
C. Operation and Maintenance	
Custodial Service	Custodians and custodial helpers for the operation of school buildings during and after the school day.
Elementary & Junior High High Schools Special Education Other Buildings	
Maintenance and Repair	Maintenance and repair personnel, field supervisors, and administrative staff assigned to the Bureau of Maintenance.
Field Service Field Supervision Administration	
Leasing and Rentals	The cost of leases and rentals for buildings used primarily for instructional purposes.
Elementary & Junior High High Schools Special Education Other	
Heat, Light and Power	The cost of coal and oil for steam boilers in school buildings. The cost of electricity and steam provided through the New York City Municipal Services Administration.
Coal and Oil Electricity and Steam Heat	
V. CITY AND DISTRICTWIDE ADMINISTRATION	
A. Overall Administration	
Board of Education	Members of the Board and their staff, Secretary to the Board and staff, and personnel assigned to the Office of Legislative Affairs.
General Administration	Personnel assigned to the Office of the Chancellor (including the Office of Public Affairs); personnel assigned to the Office of the Deputy Chancellor (including the Project Management Unit, the Office of Budget Operations and Review, the Office of Educational Statistics, Office of Labor Relations, Office of Auditor General, Office of Equal Opportunity, and Office of Legal Services).
Personnel and Board of Examiners	Staff assigned to the Division of Personnel (including the Office of Appeals and Review, Office of College and Community Liaison, Office of Field Services, Office of Administrative Personnel, Office of Pedagogical Personnel, Bureau of Teacher Status and Records, Office of Staff Services, Bureau of Health and Welfare Services, Medical Bureau, Office of Salary Differential and Status) and the Board of Examiners.
Community School District Affairs	Personnel assigned to the Division of Community School District Affairs (including the Central Zoning Unit, the Office of Elementary School Instructional Support, the Office of Junior High School Instructional Support, and the Office of Intergroup Education and Human Relations).
Business Administration	Personnel assigned to the Division of Business and Administration (including the Office of Financial Operations, Bureau of Cash Management, Bureau of Pedagogical Payroll, Bureau of Non-Pedagogical Payroll, Bureau of Accounts Payable, Bureau of Accounting, Bureau of Retirement Claims, Bureau of Engineering Audit, Office of Management Analysis, Office of Supportive Services, Bureau of Administrative Services, Bureau of Supplies, and the District Budget Office).
Federal Program Administration	This represents the systemwide, indirect administrative cost rate (approximately 4.4%) for federally funded programs; services covered are processing of payrolls, personnel administration, ordering supplies and equipment, processing proposals, budgeting, statistical assistance, legislative support, monitoring grants, and auditing.

(CONTINUED)

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
B. Instructional Administration/Supervision	
District Office	Community school district superintendents, district office administrative and business personnel; staff serving community school board members; also includes districtwide indirect administrative cost rate for federally funded programs.
High School Office	Systemwide administrative staff assigned to the Division of High Schools (includes Office of High School Superintendent, Office of High School Pupil Services, Office of High School Organization and Budget Planning Office of Cooperative Education, Office of Continuing Education, and the New York Education Information System); also includes indirect administrative cost rate for federally funded programs.
Special Education Office	Systemwide administrative personnel assigned to the Division of Special Education and Pupil Personnel Services (includes Bureau for Education of Physically Handicapped, Bureau for children with Retarded Mental Development, Bureau for Socially Maladjusted and Emotionally Disturbed Bureau for Visually Handicapped, Bureau for Hearing Handicapped, Bureau for Speech Improvement, Classes for Neurologically Imparied-Emotionally Handicapped, Evaluation and Placement Unit, and Integrated Programs); also includes indirect administrative cost rate for federally funded programs.
VI. MISCELLANEOUS EXPENSES	
A. Sabbaticals and Leave in Lieu	The cost of district, high school, special education and central pedagogical personnel who are on sabbatical leave or on leave in lieu of sabbatical leave.
B. Compensation and Awards	The costs for unemployment insurance, workmen's compensation and disability insurance.
C. Collective Bargaining Reserves	Funding to provide payment of contractual obligations not yet scheduled.
D. Miscellaneous Costs	Mandatory and essential departmentwide costs for salary and cost adjustments.
VII. DEBT SERVICE	Cost of the redemption and amortization of bonds floated by the City. This includes long and short term borrowing for construction, equipment and vocational instruction programs.
VIII. NON-PUBLIC AND ADULT EDUCATION	
A. Instructional Services and Support	Speech services provided to non-public school students and textbooks provided through the New York State Textbook Law. Not included are reimbursable funds affecting non-public school areas, which at this time could not be segregated from the public schools areas.
B. Non-Instructional Services and Support	Attendance, transportation and school lunch services provided to non-public school pupils.
C. Fashion Institute of Technology	Cost to the City for the operation of the Fashion Institute of Technology.
D. Adult Education	Providing educational programs to adults for high school equivalency, basic education including English as a second language, and occupational education.

Exhibit 9

BOARD OF EDUCATION'S BUDGET: 1977–1978

FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

FUNCTIONAL AREA	GENERAL FUNDS			REIMBURSABLE FUNDS	TOTAL BUDGET	
	NET PS AND OTPS	PENSION & FRINGES	SUB-TOTAL		AMOUNT	PERCENT
I. DIRECT INSTRUCTIONAL PROGRAMS	$1,177,459,000	$469,562,000	$1,647,021,000	$219,180,000	$1,866,201,000	64.7%
A. Classroom Instruction	$1,047,352,000	$408,872,000	$1,456,224,000	$219,180,000	$1,675,404,000	58.1%
Elementary and Junior High	638,672,000	257,674,000	896,346,000	143,349,000	1,039,695,000	36.1
High School	278,615,000	106,345,000	384,960,000	54,055,000	439,015,000	15.2
Special Education	130,065,000	44,853,000	174,918,000	21,776,000	196,694,000	6.8
B. School Supervision	$ 119,624,000	$ 55,890,000	$ 175,514,000	$ 0	$ 175,514,000	6.1%
Elementary and Junior High	73,505,000	34,304,000	107,809,000	0	107,809,000	3.7
High School	42,624,000	19,940,000	62,564,000	0	62,564,000	2.2
Special Education	3,495,000	1,646,000	5,141,000	0	5,141,000	0.2
C. Field Supervision	$ 10,483,000	$ 4,800,000	$ 15,283,000	$ 0	$ 15,283,000	0.5%
Elementary and Junior High	2,662,000	1,225,000	3,887,000	0	3,887,000	0.1
High School	101,000	46,000	147,000	0	147,000	**
Special Education	7,720,000	3,529,000	11,249,000	0	11,249,000	0.4
II. INDIRECT INSTRUCTIONAL PROGRAMS	$ 38,205,000	$ 16,771,000	$ 54,976,000	$ 12,074,000	$ 67,050,000	2.3%
A. Pupil Personnel Services	$ 31,383,000	$ 14,361,000	$ 45,744,000	$ 12,074,000	$ 57,818,000	2.0%
Attendance	4,788,000	2,179,000	6,967,000	0	6,967,000	0.2
. Field Service	(3,620,000)	(1,756,000)	(5,376,000)	(0)	(5,376,000)	(0.2)
. Administration/Supervision	(1,168,000)	(423,000)	(1,591,000)	(0)	(1,591,000)	(**)
Guidance and Counseling	17,016,000	7,879,000	24,895,000	0	24,895,000)	0.9
. Elementary and Junior High	(10,236,000)	(4,749,000)	(14,985,000)	(0)	(14,985,000)	(0.5)
. High School	(6,780,000)	(3,130,000)	(9,910,000)	(0)	(9,910,000)	(0.4)
Social and Psychological	9,579,000	4,303,000	13,882,000	0	13,882,000	0.5
. Field Service	(8,572,000)	(3,955,000)	(12,527,000)	(0)	(12,527,000)	(0.5)
. Administration/Supervision	(1,007,000)	(348,000)	(1,355,000)	(0)	(1,355,000)	(**)
Drug Abuse Program	0	0	0	12,074,000	12,074,000	0.4
B. Planning, Testing, Research and Development Services	$ 6,822,000	$ 2,410,000	$ 9,232,000	$ 0	$ 9,232,000	0.3%
Educational Performance and Accountability	163,000	61,000	224,000	0	224,000	**
Educational Evaluation	1,146,000	216,000	1,362,000	0	1,362,000	**
Educational Planning and Support	5,222,000	2,010,000	7,232,000	0	7,232,000	0.3
Guidance Planning	291,000	123,000	414,000	0	414,000	**
III. ANCILLARY PUPIL SUPPORT PROGRAMS	$ 223,662,000	$ 14,047,000	$ 237,709,000	$ 15,717,000	$ 253,426,000	8.8%
A. School Safety and Security	$ 6,905,000	$ 1,688,000	$ 8,593,000	$ 4,406,000	$ 12,999,000	0.5%
Elementary and Junior High	2,247,000	562,000	2,809,000	1,444,000	4,253,000	0.1
High School	3,853,000	964,000	4,817,000	2,478,000	7,295,000	0.4
Special Education	285,000	71,000	356,000	183,000	539,000	**
Field Supervision	200,000	44,000	244,000	119,000	363,000	**
Administration/Supervision	320,000	47,000	367,000	182,000	549,000	**
B. Pupil Transportation	$ 117,310,000	$ 185,000	$ 117,495,000	$ 0	$ 117,495,000	4.0%
Elementary and Junior High	24,061,000	0	24,061,000	0	24,061,000	0.8
High School	34,252,000	0	34,252,000	0	34,252,000	1.2
Special Education	58,216,000	0	58,216,000	0	58,216,000	2.0
Administration/Supervision	781,000	185,000	966,000	0	966,000	**
C. School Lunch	$ 99,447,000	$ 12,174,000	$ 111,621,000	$ 0	$ 111,621,000	3.9%
Elementary and Junior High	74,905,000	8,367,000	83,272,000	0	83,272,000	3.0
High School	18,786,000	2,471,000	21,257,000	0	21,257,000	0.7
Special Education	1,173,000	99,000	1,272,000	0	1,272,000	**
Administration/Supervision	4,583,000	1,237,000	5,820,000	0	5,820,000	0.2
D. Breakfast Program	$ 0	$ 0	$ 0	$ 11,311,000	$ 11,311,000	0.4%
Elementary and Junior High	0	0	0	9,574,000	9,574,000	0.4
High School	0	0	0	1,382,000	1,382,000	**
Special Education	0	0	0	355,000	355,000	**

*Based on the 1977-1978 adopted expense budget ($2,881,606,000) modified to include an additional $13,500,000 under the Stavisky settlement. Figures rounded to the nearest $1,000.
**Less than 0.05%.

(CONTINUED)

BOARD OF EDUCATION'S BUDGET: 1977—1978
FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

	GENERAL FUNDS			REIMBURSABLE	TOTAL BUDGET	
	NET PS AND OTPS	PENSION & FRINGES	SUB-TOTAL	FUNDS	AMOUNT	PERCENT
IV. SCHOOL BUILDINGS	$ 191,463,000	$ 21,700,000	$ 213,163,000	$ 0	$ 213,163,000	7.4%
A. Central and Field Administration and Supervision	$ 6,753,000	$ 991,000	$ 7,744,000	$ 0	$ 7,744,000	0.3%
B. Planning, Design and Renovation	$ 6,682,000	$ 1,927,000	$ 8,609,000	$ 0	$ 8,609,000	0.3%
C. Operation and Maintenance	$ 178,028,000	$ 18,782,000	$ 196,810,000	$ 0	$ 196,810,000	6.8%
Custodial Service	84,479,000	14,384,000	$ 98,863,000	$ 0	$ 98,810,000	3.4
. Elementary and Junior High	(56,526,000)	(11,167,000)	(67,693,000)	(0)	(67,693,000)	(2.3)
. High School	(21,288,000)	(2,014,000)	(23,302,000)	(0)	(23,302,000)	(0.8)
. Special Education	(2,844,000)	(437,000)	(3,281,000)	(0)	(3,281,000)	(0.1)
. Other	(3,821,000)	(766,000)	(4,587,000)	(0)	(4,587,000)	(0.2)
Maintenance and Repair	29,546,000	4,398,000	33,944,000	0	33,944,000	1.2
. Field Service	(20,546,000)	(2,807,000)	(22,967,000)	(0)	(22,967,000)	(0.8)
. Field Service	(5,210,000)	(619,000)	(5,829,000)	(0)	(5,829,000)	(0.2)
. Administration/Supervision	(4,176,000)	(972,000)	(5,148,000)	(0)	(5,148,000)	(0.2)
Leasing and Rentals	18,239,000	0	18,239,000	0	18,239,000	0.6
. Elementary and Junior	(12,283,000)	(0)	(12,283,000)	(0)	(12,283,000)	(0.4)
. High School	(2,550,000)	(0)	(2,550,000)	(0)	(2,550,000)	(0.1)
. Special Education	(1,212,000)	(0)	(1,212,000)	(0)	(1,212,000)	(0.0)
. Other	(2,194,000)	(0)	(2,194,000)	(0)	(2,194,000)	(0.1)
Heat, Light and Power	45,764,000	0	45,764,000	0	45,764,000	1.6
. Coal and Oil	(19,951,000)	(0)	(19,951,000)	(0)	(19,951,000)	(0.7)
. Electricity and Steam Heat	(25,813,000)	(0)	(25,813,000)	(0)	(25,813,000)	(0.9)
V. CITY AND DISTRICTWIDE ADMINISTRATION	$ 44,002,000	$ 12,753,000	$ 56,755,000	$ 13,382,000	$ 70,137,000	2.4%
A. Overall Administration	$ 25,693,000	$ 6,777,000	$ 32,470,000	$ 10,337,000	$ 42,807,000	1.5%
Board of Education	1,255,000	260,000	1,515,000	0	1,515,000	0.1
General Administration	6,083,000	1,601,000	7,684,000	0	7,684,000	0.3
Personnel and Board of Examiners	3,770,000	1,332,000	5,102,000	0	5,102,000	0.2
Community School District Affairs	638,000	268,000	906,000	0	906,000	**
Business Adminsitration	13,947,000	3,316,000	17,263,000	0	17,263,000	0.5
Federal Program Administration	0	0	0	10,337,000	10,337,000	0.4
B. Instructional Admin/Supervision	$ 18,309,000	$ 5,976,000	$ 24,285,000	$ 3,045,000	$ 27,330,000	0.9
District Office	12,740,000	4,382,000	17,122,000	2,155,000	19,277,000	0.7
High School Office	2,601,000	803,000	3,404,000	641,000	4,045,000	0.1
Special Education Office	2,968,000	791,000	3,759,000	249,000	4,008,000	0.1
VI. MISCELLANEOUS EXPENSES	$ 11,681,000	$ 5,584,000	$ 13,265,000	$ 0	$ 13,265,000	0.5%
A. Sabbaticals and Leave in Lieu	3,681,000	1,533,000	5,214,000	0	5,214,000	0.2
B. Compensation and Awards	2,805,000	0	2,805,000	0	2,805,000	0.1
C. Collective Bargaining Reserves	4,095,000	51,000	4,146,000	0	4,146,000	0.2
D. Miscellaneous Costs	1,100,000	0	1,100,000	0	1,100,000	**
VII. DEBT SERVICE	$ 341,944,000	$ 0	$ 341,944,000	$ 0	$ 341,944,000	11.9%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL STUDENTS	($2,028,416,000)	($ 536,417,000)	($2,564,833,000)	($ 260,353,000)	($2,825,186,000)	(98.0%)
VIII. NON-PUBLIC AND ADULT EDUCATION	$ 45,163,000	$ 1,419,000	$ 46,582,000	$ 9,838,000	$ 56,420,000	2.0
A. Instructional Services Support	3,422,000	79,000	3,501,000	0	3,501,000	0.1
B. Non-Instructional Services and Support	36,540,000	1,340,000	37,880,000	0	37,880,000	1.4
C. Fashion Institute of Technology	5,201,000	0	5,201,000	0	5,201,000	0.2
D. Adult Education	0	0	0	9,838,000	9,838,000	0.3
TOTAL	$2,073,579,000	$ 537,836,000	$2,611,415,000	$ 270,191,000	$2,881,606,000	100.0%

*Based on the 1977-1978 adopted expense budget ($2,881,606,000) modified to include an additional $13,500,000 under the Stavisky settlement. Figures rounded to the nearest $1,000.
**Less than 0.05%.